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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of Washington by:

SDO - 105 - 00

HIGHLAND MINING, INC.; MIDAS MINING,
LLC; RUSSELL BYERS; ROBERT ENGLEMAN;
their agents and employees,

SUMMARY ORDER TO CEASE AND DESIST

Respondents.

Case No. 00-06-0243

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THE STATE OF WASHINGTON TO: Highland Mining, Inc.
Midas Mining, LLC
Russell Byers
Robert Engleman

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STATEMENT OF CHARGES

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Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Highland Mining, Inc., Midas Mining, LLC, Russell Byers, and Robert Engleman have violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

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SUMMARY ORDER TO CEASE AND
DESIST

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

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TENTATIVE FINDINGS OF FACT

I. Respondents

1. **HIGHLAND MINING, INC.** (“Highland Mining”) is a Utah corporation with a business address of 283 4th Street, Wells, Nevada. Highland Mining was purportedly formed for the purposes of developing a mining operation in the Wells, Nevada area. Respondents Russell Byers and Robert Engleman also conducted business under the name “Highlander Mining, Inc.”

2. **MIDAS MINING, LLC** (“Midas Mining”) is a Washington business with an address of 3321 Mount Pleasant Rd., Kelso, Washington. Although Respondents Russell Byers and Robert Engleman conduct business using the name Midas Mining, LLC, they have not formally registered their business in any state as a limited liability company. Midas Mining was purportedly formed for the purposes of developing a mining operation in the Riggins, Idaho area.

3. **RUSSELL BYERS** (“Byers”) was the President of Highland Mining, Inc. at all times relevant to the matters set forth herein. Byers also acted as agent for Midas Mining at all times relevant to the matters set forth herein.

4. **ROBERT ENGLEMAN** (“Engleman”) was the Vice-President of Highland Mining, Inc. at all times relevant to the matters set forth herein. Engleman also acted as an agent for Midas Mining at all times relevant to the matters set forth herein.

II. Nature of the Offering

5. Beginning in approximately November of 1998, Respondents, acting in concert and on behalf of one another, solicited at least 33 Washington residents to invest in Midas Mining and/or Highland Mining.

6. Respondents made oral representations to these persons that Highland Mining and/or Midas Mining intended on using investor funds to finance mining projects in Wells, Nevada and in Riggins, Idaho. Respondents told these persons that they were investing in Highland Mining and/or Midas Mining for the purpose of financing ongoing mining ventures.

1 7. Respondents sold these investment opportunities to at least 33 Washington residents.

2 8. Several of these investors signed written investment contracts with the Respondents. In several of
3 these contracts, the Respondents promised to pay specific rates of return to persons in consideration for their
4 investment. For example, one person invested \$10,000 and was promised a \$40,000 return in twelve months. In
5 several other contracts, Respondents promised persons corporate shares in exchange for their investment. For
6 example, one person invested \$10,000 and was promised two shares in "Highlander Mining Inc."

7 9. Through at least September of 2000, Respondents, acting in concert and on behalf of one another,
8 continued to offer the investment opportunity described above to Washington residents. To date, Respondents
9 have obtained over \$200,000 from Washington investors.

10 **III. Misrepresentations and Omissions**

11 10. Respondents failed to provide the offerees with a disclosure document containing complete material
12 information about the investment opportunities described above, including but not limited to financial statements of
13 Highland Mining and/or Midas Mining.

14 11. Respondents also did not disclose the following material information to offerees: their business
15 experience and track record; the use of offering proceeds; and the risk factors associated with the investment
16 opportunities.

17 **IV. Registration Status**

18 12. Highland Mining and Midas Mining are not currently registered to offer or sell its securities in the
19 state of Washington and have not previously been so registered.

20 13. Russell Byers and Robert Engleman are not currently registered as securities salespersons or
21 broker-dealers in the state of Washington and have not previously been so registered.

22 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

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CONCLUSIONS OF LAW

I. Securities

14. The offer and/or sale of the investment described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12), to wit: a note; evidence of indebtedness; a certificate of interest; stock; an investment contract; or risk capital.

II. Anti-Fraud Provision

15. The offer of said securities was made in violation of RCW 21.20.010 because, as set forth in paragraphs 10 and 11 of the Tentative Findings of Fact, Respondents omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

III. Registration of Securities

16. The offer of said securities is in violation of RCW 21.20.140 because no registration for such offer and/or sale is on file with the Securities Administrator of the state of Washington.

IV. Registration of Broker-Dealer and Salespersons

17. Respondents Russell Byers and Robert Engleman has violated RCW 21.20.040 by offering said securities while not being registered as a broker-dealer or securities salesperson in the state of Washington.

EMERGENCY

The Securities Administrator finds that there is a substantial likelihood that the Respondents may continue to offer and sell securities to residents of Washington state. The Securities Administrator finds that an emergency exists and that the continued violations of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a threat to the investing public. Accordingly, a Summary Order to Cease and Desist from those violations is in the public interest and necessary for the protection of the investing public.

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SUMMARY ORDER

Based upon the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents Highland Mining, Inc., Midas Mining, LLC, Russell Byers, Robert Engleman, and their agents and employees, each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further SUMMARILY ORDERED that Respondents Highland Mining, Inc., Midas Mining, LLC, Russell Byers, Robert Engleman, and their agents and employees, each cease and desist from violating RCW 21.20.140 by offering and/or selling unregistered securities.

It is further SUMMARILY ORDERED that Respondents Russell Byers and Robert Engleman each cease and desist from violating RCW 21.20.040 by acting as a securities broker-dealer or securities salesperson without being so registered.

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AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of Chapter 34.05 RCW. Each of the Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order.

If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist permanent as to that Respondent.

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WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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DATED this 7th day of November , 2000.



DEBORAH R. BORTNER
Securities Administrator

Approved by:

Presented by:

Michael E. Stevenson
Chief of Compliance

Chad Standifer
Staff Attorney